

SECRET

24 February 1955

MEMORANDUM FOR:

Mr. Cline, OGI

SUBJECT : Agricultural Policy Differences between Malenkov and Khrushchev

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I wonder if we are not underplaying the possibility that — perhaps in addition to the heavy industry-army vs light industry struggle, and perhaps not so important — there was a real and enormous difference between K. and M. on the ostensible cause for M's resignation — agriculture policy. If I am right in thinking that total agricultural production in the USSR was up in 1954 because the "new lands" more than cancelled out declines, due to bad weather, in the old lands, may it not be that K. thus pointed to a kind of "trial by fire" in which his solution triumphed over M's of incentives in taxes and prices to get increased yield in the old lands? See M's speech of October 1952, pretty clearly hitting at K's then solution of the "agropods".

In that event, what of the enigmatic reference in M's farewell statement to the virtues of the tax policy for agriculture? May he not have been calling attention to a measure every insider knew he was responsible for? Compare Bohlen's comment that the whole tone of the statement was a bit snide — and as though saying: "OK, pal. Let's see you do better."

One further point — is not K's recently announced figure of 70 million new acres this year a marked increase from the 17 million hectares (40 million acres) indicated by previous decrees? Does this mean K. is really going overboard on the "new lands" solution this year — so much so that he will really fall on his face if they have a bad year there (as [] of ORR says they must 2 years in 5)?

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Hypothesis: that M. has at least underlined K's great gamble, even though M. himself may be too far gone to profit if K. fails. Intelligence moral: watch the weather reports from Kazakhstan this spring.

For some support of these ideas (seen after they were formulated), see Michael Straight in the New Republic for February 21.

25 YEAR
RE-REVIEW

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